



**JUSTICE CABINET
DEPARTMENT OF
JUVENILE JUSTICE
POLICY AND PROCEDURES**

REFERENCES:

**2-CO-1B-09
1-JBC-1B-12
4-JCF-6B-09
3-JCRF-1B-11
3-JDF-1B-15
1-JDTP-1B-15
3-JTS-1B-14**

CHAPTER: Administration

AUTHORITY: KRS 15A.065

SUBJECT: Procurement and Expenditures

POLICY NUMBER: DJJ 107.1

TOTAL PAGES: 4

EFFECTIVE DATE: 4/17/2015

APPROVAL: Bob D. Hayter

, COMMISSIONER

I. POLICY

The Finance and Administration Cabinet, Office of Procurement Services shall be charged by Kentucky Revised Statute (KRS) 45A.045 with the general responsibility and authority for procurement of items for all state agencies with a provision allowing for the delegation of purchasing authority to other state agencies. The overall authority and responsibility for the procurement function in the Department of Juvenile Justice (DJJ) shall be assigned to the Division of Administrative Services, Fiscal Branch.

II. APPLICABILITY

This policy shall apply to DJJ staff.

III. DEFINITION

Refer to Chapter 100.

IV. PROCEDURES

- A. The procurement of goods and services for the department from vendors offering the best value to the Commonwealth. This objective shall include the following components:
 1. To oversee prompt delivery of commodities;
 2. To enforce contractual obligations of persons or agencies having contracts with DJJ;
 3. To interpret procurement policies and procedures; and
 4. To review and process purchase requests submitted by DJJ staff.
- B. The small purchase authority limit for DJJ shall be \$5000 and shall be in accordance with FAP-111-55-00.
 1. One (1) written price quote shall be required for purchase requests up to \$3000 and shall be kept on file.

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2. Additional price quotes may be required by the Fiscal Branch upon review of the justifications and initial price quote.
 3. Three (3) written price quotes are required for purchase requests between \$3000 and \$5000 and shall be kept on file.
 4. When a vendor with the lowest quote is not chosen, documentation of the selection and reasoning for the selection shall be kept on file.
- C. The small purchase authority limit for DJJ Capital Construction and Real Properties shall be \$20,000 and shall be in accordance with FAP-111-55-00.
1. One (1) written price quote shall be required for purchase requests up to \$10,000 and shall be kept on file.
 2. Additional price quotes may be required upon review of the justification and initial price quote.
 3. Three (3) written quotes shall be required for purchase requests between \$10,000 and \$20,000 and shall be kept on file.
 4. When a vendor with the lowest quote is not chosen, documentation of the selection and reasoning for the selection shall be kept on file.
- D. Purchases shall be made from the Catalog Master Agreement if an agreement exists for goods or services. If no Catalog Master Agreement exists for the goods or services, the procurement methods outlined in this policy shall be followed. Goods or services on a Catalog Master Agreement may be purchased from an alternative vender as stated in FAP-111-37-00.
- E. Goods or services that exceed the small purchase authority of DJJ and are not on a Catalog Master Agreement shall be issued for solicitation by the Finance and Administration Cabinet through an eMARS RQS document created by the Fiscal Branch.
- F. Sole source purchases shall be documented and require Finance and Administration Cabinet approval if the purchase exceeds the small purchase authority of \$5000 per FAP-111-10-00.
- G. An Executive Order (EO1) or EO1 blanket waiver shall be approved by either the Fiscal Branch or EO1 Review Committee dependent on the type or cost of the goods or service purchased.
1. EO1 or EO1 blanket waiver approvals shall not replace or exempt the purchasing guidelines of the FAP's or KRS 45A.
 2. EO1 and EO1 blanket waivers shall be in effect for one (1) year from the date of issuance.
- H. An approved EO1 shall be attached to the purchase of goods or services exceeding \$1000.
- I. An affidavit shall be mandatory for all purchases over \$1000 from vendors not on a Catalog Master Agreement.
- J. DJJ shall be exempt from state sales tax and federal excise tax.

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- K. A filing system shall provide reference to all purchasing documents and readily accessible and available for audit purposes per FAP 111-28-00. These files shall contain, at a minimum, the following documentation:
1. Copies of purchase requests and expenditures with required documentation;
 2. Copies of receiving reports and invoices;
 3. Copies of reports, price quotes and bids, and any correspondence relating to the purchasing transaction, including vendor complaints relating to the performance or quality of goods; and
 4. Copies of all equipment guarantees or warranties including the expiration dates.
- L. Personal Service Contracts (PSC) for professional services shall be bid out and awarded by the Fiscal Branch. Documentation for the Request for Proposal (RFP) shall be maintained by the Fiscal Branch.
- M. A Memorandum of Agreement (MOA) shall only be entered into with other state agencies, quasi-state agencies, and universities to provide professional services for the department. All MOAs are maintained by the Fiscal Branch.
- N. Expenditures: Purchases and Payments
1. All purchase requests shall be made by employee through supervisory chain to the Administrative Manager (Superintendent/Branch Manager/Juvenile Services District Supervisor). Once approval is received from the Administrative Manager (Superintendent/Branch Manager/Juvenile Services District Supervisor), the approved purchase request that is \$1000 or greater shall be forwarded to the Division Director for approval then to the Fiscal Branch for purchase, if amount is less than \$1000 then purchase shall be made by the fiscal manager or fiscal officer. See attached flowchart.
 2. No purchase request shall be submitted to the Fiscal Branch until the originator of the request has reviewed and confirmed availability of funds in the budget.
 3. The Fiscal Branch may determine that due to departmental budgetary restraints, only expenditures essential for the operation of the facilities and programs shall be processed at that time. If this situation occurs, purchase requests shall be kept on file until funds become available.
 4. Payments and purchases deemed routine or prudent do not require the request for purchase and are exempted from the approval process outlined in the paragraphs above. The following is a list of routine or prudent payments:
 - a. monthly utility payments,
 - b. monthly cable service payments,

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- c. monthly shredding service payments,
- d. monthly pest control service payments,
- e. monthly garbage service payments,
- f. food/drink for youth at Youth Development Centers and Regional Juvenile Detention Centers,
- g. youth allowance and youth work experience,
- h. youth haircuts, and
- i. emergency repairs not to exceed \$1000.

O. Any unauthorized or irregular transaction with a vendor shall not be valid or binding upon the state. Any DJJ staff making such a transaction shall be held personally liable for the amount of the purchase. A Superintendent shall be held accountable for all delegated purchases and expenditures for the program. No purchase shall be split or parceled out over a period of time to evade procurement regulations. Any staff making a split transaction shall be personally liable for the amount expended in excess of the authorized amount.

V. MONITORING MECHANISM

The Administrative Services and Fiscal Branch shall monitor these activities.